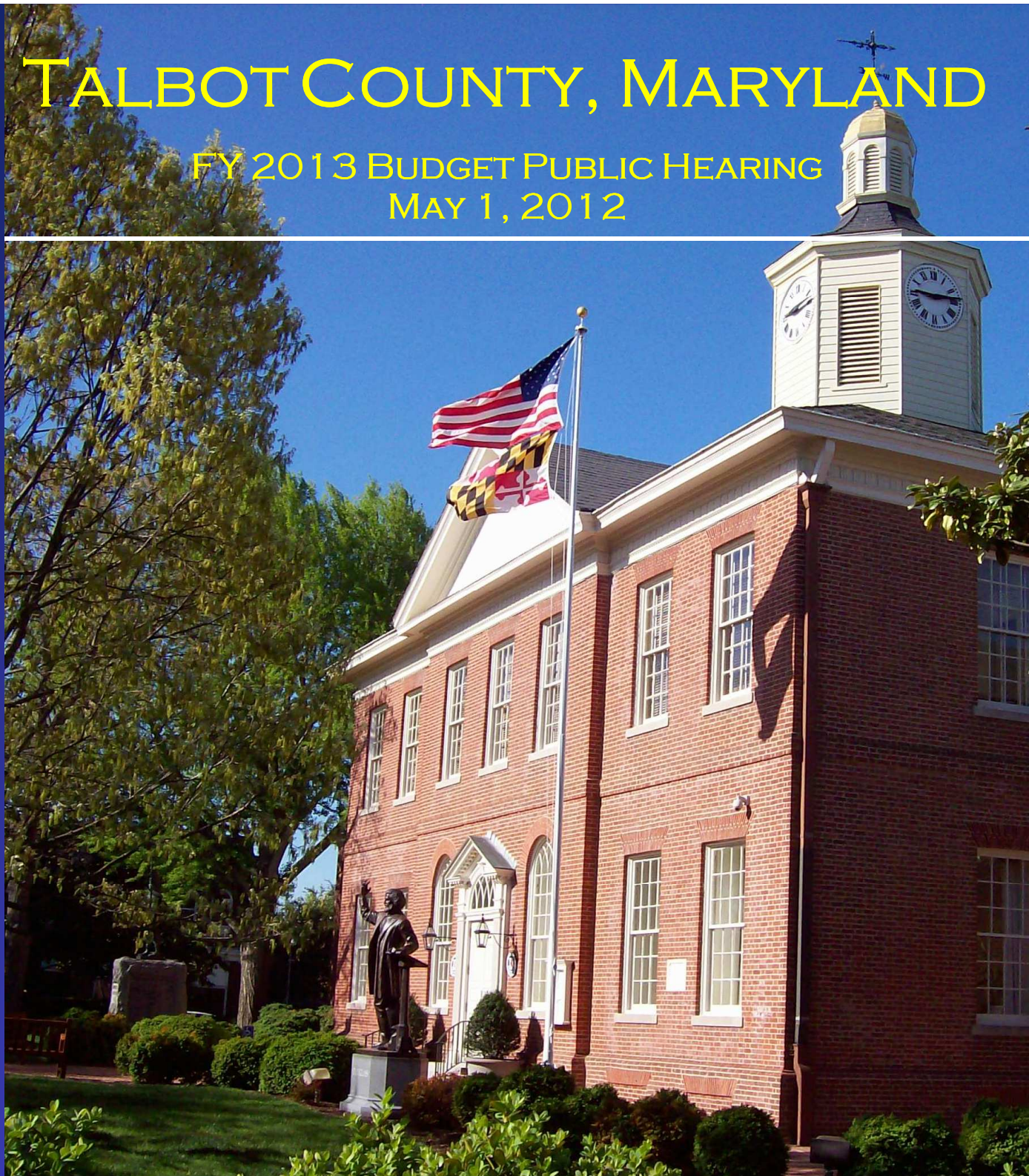




FY 2013  
General Fund Budget  
\$69,471,600

# TALBOT COUNTY, MARYLAND

FY 2013 BUDGET PUBLIC HEARING  
MAY 1, 2012







# PROBLEM

FY 2013 BUDGET PUBLIC HEARING

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## Expenditures Have Exceeded Revenues

	<u>Revenues</u>	<u>Expenditures</u>
2007	\$80,190,483	\$71,488,758
2008	\$81,278,719	\$81,295,633
2009	\$77,281,550	\$79,189,695
2010	\$62,074,264	\$70,263,772
2011	\$61,255,272	\$70,566,222
2012	\$63,595,000	\$65,945,000
2013	\$66,322,000	\$69,471,600



# MAINTENANCE OF EFFORT

FY 2013 BUDGET PUBLIC HEARING

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- Senate Bill 848 – *Maintenance of Effort* Bill (*PASSED*)
- REQUIRES Counties to fund *Maintenance of Effort* (MOE)
- ASSURES Counties fund MOE or are penalized by having the State seize local County income tax funds and transfer them directly to Boards of Education
- AUTHORIZES Charter Counties to increase property tax revenues over Charter limits to fund **EDUCATION ONLY**
- For Talbot County = **\$1,928,545** this year



# TEACHER PENSION SHIFT

FY 2013 BUDGET PUBLIC HEARING

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- Senate Bill 152 – *Budget Reconciliation and Financing Act* (BRFA) Bill (*DID NOT PASS*)
- TRANSFERS a portion of costs for Board of Education pension expenses to the County budget. The County believes it will pass this year.
- PHASES-IN costs over 4 years to total of \$1.2m (*and then?*)
- For Talbot County = **\$628,456** this year



# EXPENDITURES

## FY 2013 BUDGET PUBLIC HEARING

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	<u>FY 2012 Budget</u>	<u>FY 2013 Proposed</u>	<u>Change</u>
Public Schools Operations	\$ 32,403,006	\$ 34,960,007	↑ 7.9%
Public Safety Operations	\$ 10,486,970	\$ 11,117,958	↑ 6.0%
Other County Operations	\$ 22,395,531	\$ 22,821,434	↑ 1.9%
Transfers to Other Funds	\$ 659,493	\$ 572,201	↓ - 13.2%
<b>Totals</b>	<b>\$65,945,000</b>	<b>\$69,471,600</b>	<b>↑ 5.3%</b>



# EXPENDITURES

FY 2013 BUDGET PUBLIC HEARING

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Funding has been reduced for vital County services:

- Animal Control
- Economic Development
- Libraries
- Parks & Recreation
- Public Works
- Tourism
- Volunteer Fire Companies
- other Community Organizations



# REVENUES

## FY 2013 BUDGET PUBLIC HEARING

	<u>FY 2012 Budgeted</u>	<u>FY 2013 Proposed</u>	<u>Change</u>
Property Taxes	\$ 29,713,500	\$ 32,391,000	↑ 9.0%
Income Taxes	\$ 19,000,000	\$ 21,635,000	↑ 13.9%
Other Local Taxes	\$ 9,938,000	\$ 7,698,000	↓ - 22.5%
State / Federal Grants	\$ 1,418,185	\$ 1,305,175	↓ - 8.0%
Interest Income	\$ 600,000	\$ 100,000	↓ - 83.3%
Transfer from Other Funds	\$ 1,000,000	\$ 1,662,000	↑ 66.2%
Prior Year's Fund Balance	\$ 1,350,000	\$ 1,487,600	↑ 10.2%
Other Operating Revenues	\$ 2,925,315	\$ 3,192,825	↑ 9.1%
<b>Totals</b>	<b>\$ 65,945,000</b>	<b>\$ 69,471,600</b>	<b>↑ \$ 3.5M</b>



# PROPERTY TAX CAP

FY 2013 BUDGET PUBLIC HEARING

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In order to fund State mandated Board of Education expenses, the Talbot County Council is proposing to maintain the property tax cap for County expenses and add 2.6 cents per \$100 of assessment for educational expenses. This is authorized by State law in order to fund education expenses *only*. This budget proposes an additional **\$777,000** in property tax revenue *under* the tax cap and **\$1,900,000** from the 2.6 cent educational supplement to meet the MOE funding level.





# PROPOSED TAX BILL

## FY 2013 BUDGET PUBLIC HEARING



TALBOT COUNTY  
MARYLAND

Real Property Tax Bill  
07/01/2012 - 06/30/2013  
FISCAL YEAR 2013

11 N. WASHINGTON STREET  
COURTHOUSE, SUITE 9  
EASTON, MD 21601

BILLING 410-770-8020  
ASSESSMENT 410-819-5920  
TTY 410-822-8735

# SAMPLE BILL

BILL NUMBER 16013

CUSTOMER NUMBER 74521

DESCRIPTION	ASSESSMENT	TAX RATE	AMOUNT
MARYLAND STATE TAX	354,730	.112000	397.30
COUNTY TAX	354,730	.465000	1,649.49
COUNTY TAX EDUCATION	354,730	.026000	92.23
CO HS CREDIT	-156,790	.465000	-729.07
CO HS CREDIT	-156,790	.026000	-40.77
STATE BAY RESTORATION			30.00
TOTAL TAX			1,399.18
TOTAL DUE			1,399.18

PARCEL:  
03-154397  
PROPERTY DESCRIPTION:  
LOT 1-8.49 AC

PRINCIPAL RESIDENCE

### TAXABLE ASSESSMENT DATA

CURR YR	354,730
LAST YR	354,730

**Increase of \$51.46  
for Education**

**IMPORTANT - SEE NOTES  
ON REVERSE SIDE**



# PROPERTY TAX RATES

FY 2013 BUDGET PUBLIC HEARING

## County Property Tax Rates – 2012

<u>County</u>	<u>Rate</u>	<u>County</u>	<u>Rate</u>
Baltimore City	\$2.268	Montgomery	\$0.946
Baltimore	\$1.100	Cecil	\$0.940
Charles	\$1.067	Frederick	\$0.936
Harford	\$1.042	Anne Arundel	\$0.910
Carroll	\$1.028	Calvert	\$0.892
Kent	\$1.022	Somerset	\$0.884
Howard	\$1.014	Caroline	\$0.870
Garrett	\$0.990	St. Mary's	\$0.857
Allegany	\$0.982	Queen Anne's	\$0.847
Dorchester	\$0.976	Wicomico	\$0.769
Prince George's	\$0.960	Worcester	\$0.700
Washington	\$0.948	<b>Talbot *</b>	<b>\$0.491</b> (up from 0.448)

*\*FY 2013 Proposed*



# IMPACT OF TAX INCREASES

FY 2013 BUDGET PUBLIC HEARING

## Real Property Taxes

<b>Taxable Assessment of Property</b>	<b>Current County Property Taxes (\$.448)</b>	<b>Total Proposed Property Taxes (\$.491)</b>	<b>Proposed County Property Taxes (\$.465)</b>	<b>Proposed County Education Supplement (\$.026)</b>	<b>Total Proposed Increase in County Property Taxes</b>
\$ 100,000	\$ 448	\$ 491	\$ 465	\$ 26	\$ 43
\$ 150,000	\$ 672	\$ 737	\$ 698	\$ 39	\$ 65
\$ 200,000	\$ 896	\$ 982	\$ 930	\$ 52	\$ 86
\$ 300,000	\$ 1,344	\$ 1,473	\$ 1,395	\$ 78	\$ 129
\$ 350,000	\$ 1,568	\$ 1,718	\$ 1,627	\$ 91	\$ 150
\$ 400,000	\$ 1,792	\$ 1,964	\$ 1,860	\$ 104	\$ 172
\$ 500,000	\$ 2,240	\$ 2,455	\$ 2,325	\$ 130	\$ 215
\$ 750,000	\$ 3,360	\$ 3,682	\$ 3,487	\$ 195	\$ 322



# INCOME TAX RATES

FY 2013 BUDGET PUBLIC HEARING

## County Income Tax Rates – 2012 (3.20% Max)

<u>County</u>	<u>Rate</u>	<u>County</u>	<u>Rate</u>
Baltimore City	3.20 %	Charles	2.90 %
Howard	3.20 %	Kent	2.85 %
Montgomery	3.20 %	Baltimore Co	2.83 %
Prince George's	3.20 %	Calvert	2.80 %
Queen Anne's	3.20 %	Cecil	2.80 %
Somerset	3.15 %	Washington	2.80 %
Wicomico	3.10 %	Garrett	2.65 %
Harford	3.06 %	Dorchester	2.62 %
Allegany	3.05 %	Caroline	2.63 %
Carroll	3.05 %	Anne Arundel	2.49 %
St. Mary's	3.00 %	<b>Talbot *</b>	<b>2.40 %</b> (up from 2.25%)
Frederick	2.96 %	Worcester	1.25 %

\*FY 2013 Proposed





# IMPACT OF TAX INCREASES

FY 2013 BUDGET PUBLIC HEARING

## Income Taxes

Net Taxable Income	Current County Income Taxes (2.25%)	Proposed County Income Taxes (2.40%)	Total Proposed Increase in Taxes (2.40%)	Proposed County Income Taxes (2.60%)	Total Proposed Increase in Taxes (2.60%)
\$ 10,000	\$ 225	\$ 240	\$ 15	\$ 260	\$ 35
\$ 20,000	\$ 450	\$ 480	\$ 30	\$ 520	\$ 70
\$ 30,000	\$ 675	\$ 720	\$ 45	\$ 780	\$ 105
\$ 40,000	\$ 900	\$ 960	\$ 60	\$ 1,040	\$ 140
\$ 50,000	\$ 1,125	\$ 1,200	\$ 75	\$ 1,300	\$ 175
\$ 75,000	\$ 1,688	\$ 1,800	\$ 113	\$ 1,950	\$ 263
\$ 100,000	\$ 2,250	\$ 2,400	\$ 150	\$ 2,600	\$ 350
\$ 125,000	\$ 2,813	\$ 3,000	\$ 188	\$ 3,250	\$ 438
\$ 150,000	\$ 3,375	\$ 3,600	\$ 225	\$ 3,900	\$ 525
\$ 200,000	\$ 4,500	\$ 4,800	\$ 300	\$ 5,200	\$ 700
\$ 250,000	\$ 5,625	\$ 6,000	\$ 375	\$ 6,500	\$ 875



# FUND BALANCE

FY 2013 BUDGET PUBLIC HEARING

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<b>General Fund Balance as of June 30, 2011</b>	<b>\$24.0 million</b>
FY 2012 Appropriation/Other Obligated Funds	-1.4 million
Retiree Health Obligation (OPEB)	-7.0 million
Emergency Reserve ("Rainy Day")	<u>-10.4 million</u>
<b>Discretionary Balance</b>	<b>\$5.2 million</b>
Needed to Balance FY 2013 Budget	<u>-1.5 million</u>
<b>Remaining Balance for FY 2014 &amp; Beyond</b>	<b>\$3.7 million</b>



# BUDGET AS INTRODUCED

FY 2013 BUDGET PUBLIC HEARING

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## Budget As Introduced

- Increase Property Tax over tax cap 2.6¢ solely to meet education mandate
- Increase Income Tax Rate to 2.40%
- Use \$ 1,487,600 of Fund Balance

## Amendment 1

- Property Tax increase within tax cap
- Increase Income Tax Rate to 2.60%
- Use \$ 2,521,600 of Fund Balance

## Amendment 2

- Increase Property Tax over tax cap 2.6¢ solely to meet education mandate
- No Income Tax Rate Increase
- Use \$ 2,122,600 of Fund Balance





# TALBOT COUNTY, MARYLAND

FY 2013 BUDGET PUBLIC HEARING  
MAY 1, 2012

For more information on the  
FY 2013 Proposed Budget  
(Bill No. 1217)

Visit Our Website:  
[www.talbotcountymd.gov](http://www.talbotcountymd.gov)

